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FEDERAL COMMUNICATIONS COMMISSION
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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

GTE Telephone Operators
GTOC Tariff No. 1
GTOC Transmittal No. 1148

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CC Docket No. 98-79

COMMENTS OF MEDIAONE

Pursuant to the Commission's Order Designating Issues for Investigation¹ ("Order"), MediaOne Group, Inc. ("MediaOne") hereby submits its Comments on the Direct Case submitted by the GTE Telephone Operating Companies ("GTE"). The Order designated only one issue, whether GTE's ADSL service offering constitutes an interstate access service, subject to the Commission's jurisdiction.

MediaOne is the parent company of the third largest cable television multiple system operator ("MSO") in the United States, providing an increasing variety of broadband services to approximately five million customers in 17 states.² Through its telecommunications subsidiaries, MediaOne also provides residential, facilities-based local telephone service in several U.S. markets.³ By the end of 1998, MediaOne will also offer approximately 2.5 million homes the

¹ In the Matter of GTE Telephone Operators, GTOC Tariff No. 1, GTOC Transmittal No. 1148, CC Docket No. 98-79, (August 20, 1998).

² MediaOne's major markets are Atlanta, Georgia, Eastern Massachusetts, Southern New Hampshire, Los Angeles County, California, Chicago, Illinois, Jacksonville, Florida, Detroit, Michigan, Richmond, Virginia, and Minneapolis/St. Paul, Minnesota.

³ MediaOne currently provides residential local telephone service in Atlanta, Georgia, Los Angeles County, California, Pompano and Jacksonville, Florida, and several communities surrounding Boston, Massachusetts. MediaOne plans to expand its local telephone service to additional areas over the next year.

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opportunity to obtain advanced services, including high speed Internet access via its cable-modem service, MediaOne Express, at speeds more than 50 times faster than those achieved by conventional dial-up modems. By 2001, this capability will be available to over 90 percent of all homes passed by MediaOne in its 17-state region.

GTE's Asymmetrical Digital Subscriber Line ("ADSL") service will provide an end user dedicated access to an information service provider ("ISP"), typically to obtain access to the Internet. Though ADSL will usually connect an end user to an ISP within the local calling area, GTE claims the service is properly within the Commission's jurisdiction because Internet traffic is most often interstate. As explained below, MediaOne believes the Commission should either reject GTE's tariff filing, or initiate a generic rulemaking to consider the issues it raises.

In the Commission's Access Charge Reform proceeding, the Commission confirmed that ISPs are end users, not carriers, and should not be subjected to the payment of access charges.⁴ ISPs, like other end users, may use local exchange facilities to access the public switched network and end users seeking to access the Internet may do the same.⁵ When a local exchange carrier utilizes the facilities of another local exchange carrier to terminate calls placed by an end user to an ISP, it must pay reciprocal compensation to that terminating carrier, as required by Section 251 (b)(5) of the Communications Act.⁶ That requirement applies whether the service in question is a local exchange service or a form of exchange access. Thus a decision to allow GTE

⁴ Access Charge Reform, 12 FCC Rcd. 15982, 16133-34 (1997); see also, Federal-State Joint Board on Universal Service, Report to Congress, CC Docket No. 96-45, Par. 106 (April 10, 1998).

⁵ Access Charge Reform, 12 FCC Rcd. at 16133-34.

⁶ 47 U.S.C. §251(b)(5).

to provide ADSL under an interstate tariff would not change any reciprocal compensation obligations GTE might have with respect to its provision of that service.⁷

That, however, must not end the matter. As GTE itself notes, the Commission's jurisdictional analysis is likely to shape its resolution of similar issues in the future.⁸ Specifically, if the Commission determines that ADSL is properly tariffed as an interstate exchange access service, no great foresight is needed to realize that incumbent LECs will promptly use that decision to argue for similar treatment of dial-up ISP access arrangements, thus raising significant issues regarding the recently-reaffirmed "ISP exemption"⁹ and the right of a terminating LEC to receive reciprocal compensation for ISP traffic.¹⁰ MediaOne believes the Commission cannot adequately address these issues in the context of a tariff filing.¹¹

For the foregoing reasons, the Commission should reject GTE's proposed ADSL tariff. If, however, the Commission elects to allow the tariff to take effect, it should initiate a

⁷ MediaOne thus believes GTE is correct in arguing that, though the Commission has ruled that ISPs may not be required to pay access charges, nothing precludes an ISP from purchasing an access service, if it wishes to do so. (Direct Case at 23)

⁸ Direct Case at 7, n. 16.

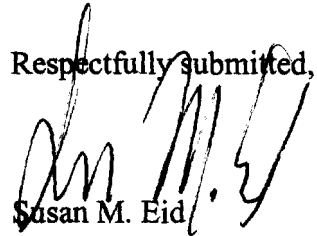
⁹ Under the existing rubric, a local dial-up arrangement is either exchange service or exchange access. Exchange services are always provided under intrastate tariffs, and the Commission has ruled that ISPs may not be required to pay access charges. A decision that dial-up ISP access is jurisdictionally interstate thus leaves no existing category for the service to fall into.

¹⁰ Section 251(b)(5) requires a LEC to establish reciprocal compensation arrangements for the "transport and termination of telecommunications." Nothing in that provision limits its effects to local exchange traffic, and nothing exempts telecommunications terminating at an ISP from its reach.

¹¹ Related tariff filings by BellSouth and Pacific Bell raise similar issues. BellSouth Transmittal No. 476, CC Docket No. 98-161; Pacific Bell Transmittal No. 128, CC Docket No. 98-103.

rulemaking to consider all the issues thereby raised. Moreover, the Commission should make clear that its decision on GTE's tariff will not affect its resolution of those issues.

Respectfully submitted,



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September 18, 1998

CERTIFICATE OF SERVICE

I, Lynwood J. Evans, do hereby certify that copies of the foregoing in CC Docket No. 98-79 were sent via hand delivery, this 18th day of September, 1998, to the following:

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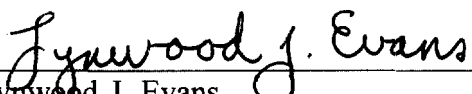
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